

UNCLASSIFIED

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INQUIRE=DOC19D
ITEM NO=00473187

ENVELOPE

CDSN = LGX449 MCN = 92300/29056 TOR = 923002107
RTTUZYUW RUEKJCS8527 3002103-UUUU--RUEALGX.

ZNR UUUUU

HEADER

R 262103Z OCT 92
FM JOINT STAFF WASHINGTON DC
INFO RUEADWD/OCSA WASHINGTON DC
RUEAHQA/CSAF WASHINGTON DC
RUCGDEF/NATS PENTAGON WASHINGTON DC
RUEADWD/PTC WASH DC
RUFGAID/USEUCOM AIDES VAIHINGEN GE
RUEQACC/CDRPSYOPGP FT BRAGG NC//ADRC-POG-SB//
RULKQAN/MARCORINTCEN QUANTICO VA
RUSNNOA/USCINCEUR VAIHINGEN GE
RUEALGX/SAFE

R 261551Z OCT 92
FM AMEMBASSY LUXEMBOURG
TO RUEHC/SECSTATE WASHDC 3000
INFO RUEATRS/DEPTTREAS WASHDC
RUFHAD/AMEMBASSY ABU DHABI 0120
RUEHXQ/ALL EUROPEAN COMMUNITY POST COLLECTIVE

BT

CONTROLS

UNCLAS LUXEMBOURG 01378

DEPARTMENT FOR EC/IFD/OMA
STATE PASS FRB

TREASURY FOR COMPTROLLER - BANK SUPERVISION
OPERATIONS/POLICY

E.O. 12356: N/A

BODY

TAGS: EFIN, EINV, TC, LU
SUBJECT: LUXEMBOURG COURT APPROVES BCCI
INDEMNIFICATION PLAN

REF: LUXEMBOURG 969 (DTG 220434Z JUL 92)

SUMMARY

1. A LUXEMBOURG COURT OCTOBER 22 APPROVED THE ABU DHABI GOVERNMENT'S USDOLS 1.7 BILLION PLAN TO COMPENSATE BCCI CREDITORS. THE MINORITY OF CREDITORS THAT OPPOSES THE PLAN HAS NOT INDICATED WHETHER IT WILL APPEAL -- A PROCESS THAT COULD TAKE UP TO A YEAR. END SUMMARY.

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DEPARTMENT OF STATE

☒ RELEASE ☐ DECLASSIFY
☐ EXCISE ☐ DECLASSIFY
☐ DENY IN PART
☐ DELETE Non-Responsive Info
FOIA Exemptions
PA Exemptions

IS/FPC/CDR

MR Cases Only:
EO Citations

TS authority to
☐ CLASSIFY ☐ S or ☐ C OADR
☐ DOWNGRADE TS to ☐ S or ☐ C OADR

Date. 9/8/94

LUXEMBOURG DECISION PAVES WAY FOR PAY-OUT

2. LUXEMBOURG'S COMMERCIAL TRIBUNAL OCTOBER 22 APPROVED THE ABU DHABI GOVERNMENT'S PLAN TO COMPENSATE CREDITORS. THE PLAN HAD BEEN APPROVED EARLIER BY THE HIGH COURT OF LONDON AND A CAYMAN ISLAND TRIBUNAL. THE PLAN NEEDS THE APPROVAL OF ALL THREE JURISDICTIONS BEFORE IT CAN GO INTO FORCE. THE USDOLS 1.7-BILLION INDEMNIFICATION PLAN WILL REIMBURSE BCCI CREDITORS APPROXIMATELY 30 TO 40 PERCENT OF THEIR DEPOSITS.

OVERWHELMING MAJORITY OF CREDITORS FAVORS ACCEPTING

3. IN GIVING HER APPROVAL, JUDGE MARYSE WELTER SAID THAT THE COURT HAD TO TAKE INTO ACCOUNT THE FACT THAT 93 PERCENT OF THE CREDITORS POLLED BY THE LIQUIDATORS (REFTEL) HAD VOTED TO ACCEPT THE PLAN. IN ADDITION, OPPONENTS OF THE PLAN HAD NOT PROPOSED VIABLE ALTERNATIVES.

4. OPPONENTS HAD CALLED THE INDEMNIFICATION OFFER INSUFFICIENT (THEY SAID A FAIRER OFFER WOULD BE CLOSER TO USDOLS 4.7 BILLION) AND CLAIMED THAT A QUARTER OF THE USDOLS 1.7 BILLION WOULD GO TO INTERESTS IN ABU DHABI OR TO LIQUIDATORS OF BRANCHES OF BCCI IN THE UNITED ARAB EMIRATES.

APPEAL PROCESS COULD DELAY IMPLEMENTATION

5. AFTER THE ANNOUNCEMENT OF JUDGE WELTER'S DECISION, LAWYERS FOR CREDITORS OPPOSING ACCEPTANCE OF THE ABU DHABI PLAN REFUSED TO SPECULATE WHETHER THEIR CLIENTS WOULD APPEAL THE RULING. AN APPEAL COULD DELAY IMPLEMENTATION OF THE PLAN ANOTHER 6 TO 12 MONTHS. ROWELL

ADMIN

BT

#8527

NNNN